



Stimulus Funding Available to the
Mississippi Division of Medicaid (DOM)
(10.01.2008 through 12.31.2010)

THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

Revised 04/14/2009E

Medicaid is a national health care program...



- Medicaid is a national health care program, administered individually by states, which provides funding to ensure the availability of medical services to certain low-income people.

Why AARA Funds?

**Stimulus
Funding
Available to the
State of
Mississippi
Division of
Medicaid
through the
American
Recovery and
Reinvestment
Act (ARRA)**

- ARRA Funds are provided to help Mississippi handle the expected increases of people who will be eligible for Medicaid.

ARRA Funds are designed to maintain the MS Medicaid program at its current level...

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- No changes will be made to eligibility requirements during the temporary time period
- Mississippi Division of Medicaid (DOM) will receive stimulus money for the temporary time period of 10/1/2008 – 12/31/2010

ARRA impacts the state's share

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- The DOM is funded partially by the State government and partially by the Federal government.
- The State Medical Assistance Percentage (SMAP) is decreased as a result of increasing the Federal Medical Assistance Percentage (FMAP).

ARRA impacts the state's share

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- Original estimate of the projected savings for MS DOM was \$724 million
- Our current estimate to date is slightly less

FFY09 FMAP Prior to ARRA Increase

- Prior to ARRA:
 - FFY09 state match rate (SMAP)= 24.16%
 - FFY09 federal match rate (FMAP) = 75.84%

The Increases to be received by MS DOM are the following...

- ARRA temporarily impacts the federal match rate (FMAP) in three ways:

1. Hold Harmless Provision: the state's baseline FMAP will be the higher of either the 2008 FMAP or the 2009 FMAP

FFY08 FMAP 76.29%

FFY09 FMAP 75.84%

Mississippi Baseline FMAP = 76.29%

The Increases to be received by MS DOM are the following...

2. All states receive an enhanced FMAP increase of 6.20%

$$\begin{array}{r} 76.29\% \text{ (baseline)} \\ + \underline{6.20\%} \end{array}$$

MS FMAP w/baseline + enhancement 82.49%

3. Additional FMAP Increases for Unemployment

- If MS unemployment increases 1.5% to 2.4%, FMAP increases 1.13%
- If MS unemployment increases 2.5% to 3.4%, FMAP increases 1.75%
- If MS unemployment increases 3.5% or more, FMAP increases 2.37%

Current (ARRA) Increased FMAP

- During the first quarter Mississippi met the first tier unemployment factor, increasing FMAP:

2008 FMAP = 76.29%

+ 6.2%

+ 1.13%

83.62% *New Increased FMAP*

- FMAP may possibly increase an additional .62% if the unemployment rate increases more than 2.5%

The Increases to be received by MS DOM are the following...

- Increase Disproportionate Share Hospital (DSH) payments to MS Hospitals by 2.5% in 2009 and another 2.5% in 2010

Requirements to receive enhanced FMAP

- Maintenance of Effort – can't be more restrictive
- No amounts of enhancement to Rainy Day Fund
- Prompt Payment
- Accountability & Transparency
- Expenditures for enhanced FMAP are eligible medical expenditures

“The DOM and the Office of the Governor...”



The DOM and the Office of the Governor will continue to work with federal officials to make sure the state will meet the federal requirements to receive the stimulus dollars available for 10/1/2008 – 12/31/2010.